

## INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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- On 23 April 1955, an official closely connected with the East German Ministry of Construction gave an account of the manner in which long-range planning for the building industry was now being organized within the Soviet Bloc. The official said that the theoretical foundation for all long-range planning was the Handbook for Political Economy, which restated the main theses of Stalin's Economic Problems of Socialism, especially with regard to the proportionate development of producer's goods and consumer goods industries. The publication of the handbook had been reflected in East Germany by the 20th and 21st plenary session of the SED Central Committee. The official explained that the Deutsche Handelszentrale (DHZ) Baustoffe received its instructions on the Party line from the SED Kreisleitung Lichtenberg and also from the Department for Staatspolitische Schulung of the State Secretariat for Internal Affairs.
- The over-all planning pattern provided that, in each country of the Soviet Bloc, starting with the Soviet Union, planning groups were to be established for the purpose of making preparations for the holding of a conference to advertise the new policy for the branch of industry concerned. In the case of the building industry, the opening round had been the holding of the All-Union Conference in Moscow in December 1954 at which Nikita Khrushchev delivered the main speech. The proceedings of this conference had been translated into German so as to serve as a model for the manner in which the East German conference was to be organized.
- The next step was the setting up of ten study groups, the most important of which were: industrialization and standardization; building materials production; instruction for the use of materials; working norms. The Russian adviser at the Ministry of Construction and his staff had collaborated closely with the work of the first three of these study groups. The groups had then produced a report and a draft resolution which had served as a basis for discussion of the building conference which was held between 3 and 6 of April 1955. The conference duly took place and was attended, among others, by the Russian adviser and by representatives from Poland and Czechoslovakia.

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4. The official was sceptical as to the practical value of the conference, since the whole industry was disorganized as a result of bad planning. Thus, much play was made of the need for raw materials, and voluntary commitments were obtained from the cement industry to produce an additional 100,000 tons per year with their existing equipment by changing the method of production from the dry to the wet process. Actually, the cement industry's customers (the cement-block industry) have had difficulties in accepting their quotas, because they could not sell their products since investment funds were not being authorized.
5. The official said that the allotment of resources to government projects (those numbered in the series 080,000) and armed forces projects (series 088,000) was controlled by joint consultation of the following agencies:
  - a. The Abteilung Bauwirtschaft of the Central Committee Apparatus (Chief - Anders).
  - b. The building staff of the Ministry of the Interior.
  - c. Individual officials of the Ministry of Construction specially delegated for the task by the BFO-Secretary Altnau.
  - d. The Staatliche Material-Versorgung.

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